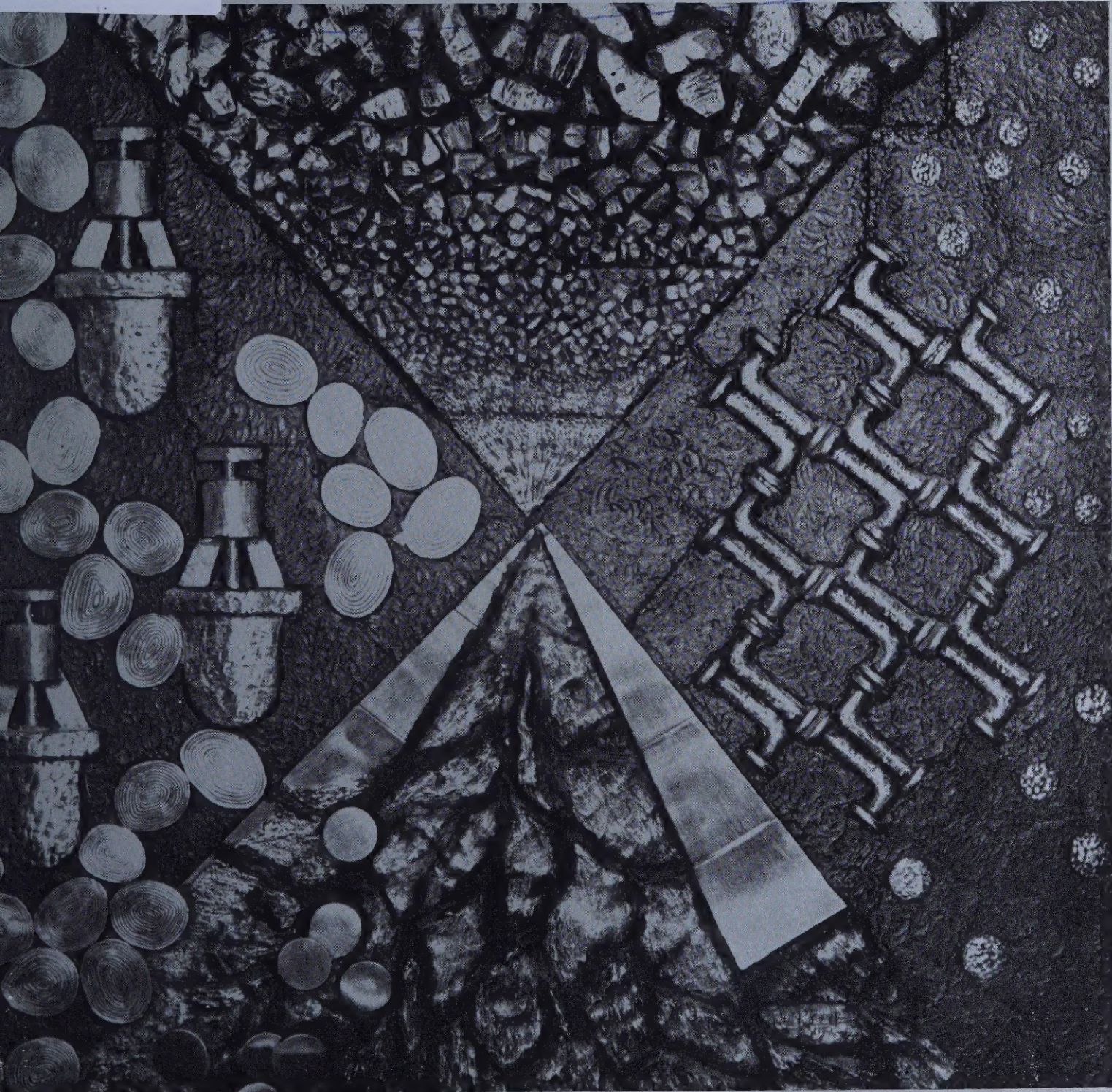


Sherritt Gordon Mines Limited

AR22



1975 Annual Report



1975 at a glance

	1975	1974
Net earnings for the year	\$ 11,158,000	\$ 23,046,000
— per share	\$.88	\$1.81
Dividends per share	\$.55	\$.75
Working capital	\$ 38,472,000	\$ 36,409,000
Capital expenditures	\$ 11,513,000	\$ 14,527,000
Process-licensing revenue	\$ 2,477,000	\$ 1,468,000
Sales revenue — metals	\$148,223,000	\$163,470,000
— fertilizers	\$ 43,256,000	\$ 29,488,000
Total revenue from sales	\$191,479,000	\$192,958,000
Copper sales — pounds	86,808,000	101,692,000
Zinc sales — pounds	95,819,000	79,102,000
Nickel sales — pounds	20,036,000	16,142,000
Fabricated metal product		
sales — pounds	3,768,000	4,122,000
Fertilizer sales — tons	351,000	353,000
Employees	2,258	2,526

Cover

The photograph on the cover is of the wall relief which hangs in the foyer of Sherritt's head office in Toronto. Mr. R. C. Reed of San Diego, California, a graduate metallurgist, is both the artist and the artisan of this work. An inventive and artistic engineer, he developed a new method of "casting" metallic sculptures and has now obtained a patent on his method. This wall hanging was made from Sherritt nickel powder combined with zinc using Mr. Reed's special process.

The upper triangle represents ore being mined and concentrated. At the junction of upper and lower triangles the nickel ore is transformed by refining into nickel powder and subsequently rolled into nickel strip and punched into coinage blanks. The left side of the work depicts research and development by means of three laboratory autoclaves surrounded by enlarged cross-sections of special nickel powders. On the right side, the refinery is represented by symbolic pipe sections and magnifications of grains of standard nickel powder.

Annual Meeting

2:30 p.m., Friday, April 30, 1976
Commerce Hall in Commerce Court, Toronto, Ontario

Directors and Officers

Directors

W. E. P. DeRoche
Chairman of the Board
Partner, Blake, Cassels &
Graydon

Edward L. Donegan
Partner, Blake, Cassels &
Graydon

Richard D. Ellett
Vice-President, Exploration,
Newmont Mining Corporation

V. N. Mackiw
Executive Vice-President

R. G. MacKay*
Executive Vice-President

Plato Malozemoff
Chairman of the Board and
Chief Executive Officer,
Newmont Mining Corporation

J. H. Parliament
President,
Similkameen Mining Company
Ltd.

David D. Thomas
President and Chief Executive
Officer

J. E. Thompson
President,
Newmont Mining Corporation

*Appointed September 18, 1975

Officers

W. E. P. DeRoche
Chairman of the Board

David D. Thomas
President and Chief Executive
Officer

V. N. Mackiw
Executive Vice-President

R. G. MacKay
Executive Vice-President

H. M. Bilkey
Vice-President and General
Manager, Alberta Operations

Alan E. Gallie
Vice-President, Marketing

Kenneth J. Harvey
Vice-President, Finance

Bruce I. Watson
Treasurer

Frank I. Piper
Secretary

Ian A. Shaw
Controller

D. J. I. Evans
Assistant Vice-President

Robert R. Topp
Assistant Vice-President

Divisions

Mining and Milling Division

Lynn Lake, Manitoba, R0B 0W0

J. A. MacLellan
General Manager, Manitoba Operations

D. J. Libby
Assistant General Manager

J. E. Korski
Manager, Ruttan Operations

R. C. McCombe
Manager, Fox Operations

Metal and Chemical Division

Fort Saskatchewan, Alberta, T8L 2P2

H. M. Bilkey
Vice-President and General Manager,
Alberta Operations

J. R. Muter
Associate Manager

B. W. Kushnir
Manager, Production

A. H. Lee
Manager, Fabricated Metal Products

A. C. Oliver
Manager, Engineering

Research and Development Division

Fort Saskatchewan, Alberta, T8L 2P2

H. O. Veltman
Director

M. A. Clegg
Assistant Director

Marketing Division

Alan E. Gallie
Vice-President, Marketing
Toronto, Ontario, M5L 1B1

Rex F. Pearce
Manager, Metal Marketing
Toronto, Ontario, M5L 1B1

J. A. Fraser
Manager, Fertilizer Marketing
Edmonton, Alberta, T5J 2E7

Head Office

Commerce Court West,
Toronto, Ontario, M5L 1B1

Auditors

Deloitte, Haskins & Sells, Toronto

Solicitors

Blake, Cassels & Graydon, Toronto

Transfer Agents

Canada Permanent Trust Company,
Canada
Morgan Guaranty Trust Company of
New York

Bankers

Canadian Imperial Bank of Commerce,
Toronto
Morgan Guaranty Trust Company of
New York



REPORT OF THE DIRECTORS

The year 1975 covered by this Annual Report to Shareholders was a mixture of boom and depression for your Company. Earnings amounted to \$11,158,000 (88¢ per share) on sales of \$191,479,000. In 1974, earnings were \$23,046,000 (\$1.81 per share) on sales of \$192,958,000. Total sales revenue was basically unchanged from last year. However, depressed copper prices and increased mining costs resulted in a net loss, after interest and capital write-offs, for our Mining Division. On the other hand, our fertilizer and fabricated metals operations achieved record earnings and our process-licensing revenue reached an all-time high. In this depressed period for mining we were fortunate to have diversified interests which allowed us to maintain earnings at close to 50% of the 1974 record level.

Our Mining Division suffered from very low prices for copper, the major product of our mines. The average 1975 sales price was 57¢ per pound. After deducting freight and treatment costs, this yielded only about 39¢ per pound at the mine, an increase of just 6% since 1971. During this same period 1971-1975, costs in many Canadian mines, like many other costs in the world, have increased by about 100%. Yet, a short while ago, most governments in Canada enacted legislation designed to increase the taxation rates on mining companies so that the public could share in the "super profits." There were no "super profits" over any reasonable period. What apparently misled the governments was a temporary "super price" for copper which lasted only eighteen months from March, 1973 to August, 1974. The same period produced "super costs" followed by "super, super costs" with "not-so-super" prices. The chart illustrates the fallacy of "super profits" and the current depressed state of copper mining in Canada.

In only one year out of the four since 1971 has the price for copper increased as much as our production costs. Even in 1974, when our average price of copper reached 80¢ (60¢ at the mine), it still had not kept pace with our increased production costs. Today, in terms of 1971 cost levels, the price of copper is about 28¢ (about 15¢ at the mine). Under these market conditions few, if any, new copper projects are going to proceed. Even if one could look forward to satisfactory copper prices, there is little incentive to explore

for or to mine copper in Canada if the current attitude of most governments towards mining does not change.

Our fertilizer business in Alberta enjoyed a record year with increased production to meet a strong demand accompanied by sharply increased market prices. Weakness developed in the last half of the year in world fertilizer markets and surpluses have been building up in some areas. In all probability we will look back on 1975 as a unique peak year for our fertilizer operations.

Our nickel refinery was located in Alberta where an ample supply of natural gas was available at reasonable prices. Since our refinery was completed in 1954 we have increased our investment in Alberta by 250%. Besides enlarging the nickel refinery, we have steadily expanded and diversified our fertilizer facilities and gradually developed secondary manufacturing operations which this year produced sales of \$14,000,000. Our research facilities also are located in Alberta and have developed metallurgical processes and new products for use in Canada and around the world. We feel our Fort Saskatchewan operation has become an industrial development of which Alberta can be proud.

Our fertilizer expansion program in Alberta is still under consideration. As noted in the third quarter report, plans for a urea facility have been postponed but we are still investigating the construction of an 1,100-ton-per-day ammonia plant. This project has been under review for two years and Shareholders may wonder how much time is required to assess such an expansion. The economics of the plant itself have been changing, almost from week to week, with escalating capital costs and dramatic increases in energy costs. Overall corporate policy is also affected by current marketing conditions and the availability and costs of financing. Added to these factors is the ever-increasing influence of government on corporate decisions. Without commenting on the merits of greater government impact on the private sector, it certainly constitutes another major variable to the economic assessment of any large expansion project.

Sherritt, along with five other major fertilizer producers in Western Canada, has been charged under the Combines Investigation Act with being part of a conspiracy to lessen competition unduly in the production and sale of fertilizers. To the best of our knowledge

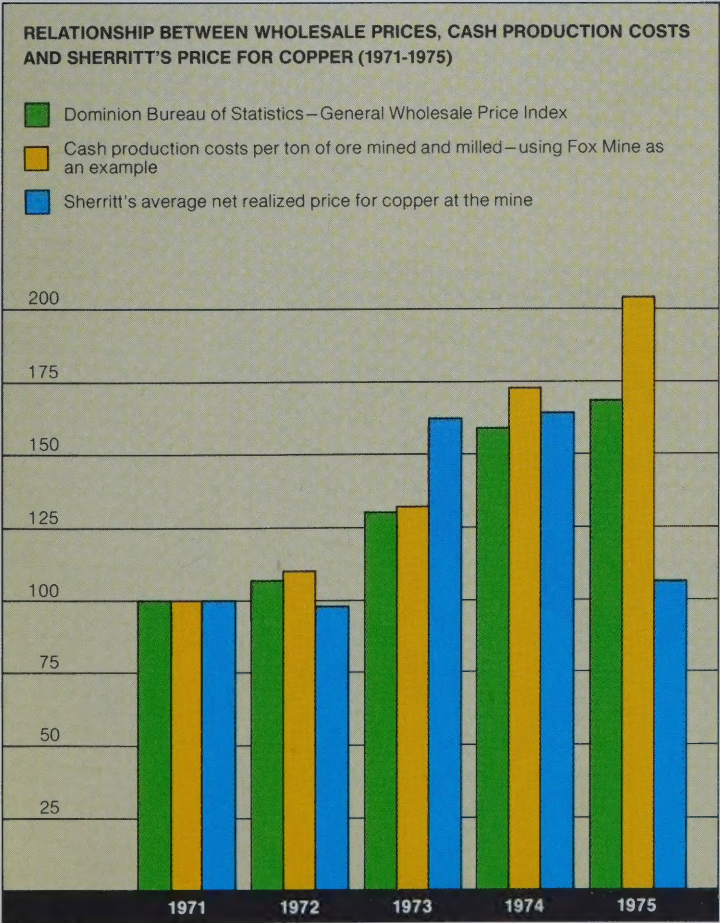
Sherritt has committed no such offense. Your Company is subject to the Anti-Inflation Program enacted by the Government of Canada to provide for the restraint of profit margins, prices, dividends and compensation in Canada. The complexity of this Program may partially destroy its effectiveness. It certainly makes compliance, however genuine the desire to comply, both difficult and expensive for any business. The application of the Program for as long a period as three years may wreak havoc with the Canadian economic system. Nevertheless, we feel that Government action was required as Canadians were pricing themselves out of many world markets. We will support the Program in spirit as well as in letter but urge all governments in Canada to exercise the same economies and restraints being enforced on Canadian business. The outlook for 1976 is rather bleak. If the copper price does not improve, our Mining Division will be fortunate to achieve a cash break-even position for

each mine. If we cannot achieve this position at Lynn Lake we will have to close the mine. To meet operating restraints and market conditions we are cutting back on production at both Ruttan and Fox Mines. We trust that these decreases in production will extend the life of each ore body into a period of more favourable market conditions. The fertilizer business should continue to be healthy but well below the peak year of 1975. Our refining operation should remain quite steady while the fabricated metals business will depend largely on the general level of business activity in North America. David O. Pearce retired from the Board in April, 1975 in anticipation of his retirement as Senior Vice-President, Operations, Newmont Mining Corporation. Mr. Pearce had been a Director since March, 1969 and his knowledge of mining was of great assistance to the Company. R. Gordon MacKay, Executive Vice-President of the Company, was appointed to the

Board in September, 1975. We are pleased to announce two senior executive appointments: H. M. (Mel) Bilkey has been appointed Vice-President and General Manager, Alberta Operations, and J. A. (Jim) MacLellan has been appointed General Manager, Manitoba Operations. The Directors wish to thank our employees for their continued support and understanding throughout the year. Our ability to be competitive, particularly in the mining industry, depends wholly upon their skills and efforts. The following sections of this Report deal in more detail with the operations of our divisions in 1975.

On behalf of the Board of Directors,

President.
Toronto, Ontario, March 3, 1976.





FINANCIAL REVIEW

Earnings

The year's net earnings of \$11,158,000, or 88¢ per share, were just under half the record \$23,046,000, or \$1.81 per share, achieved in 1974. The fact that earnings before taxes are wholly attributable to the non-mining operations of the Company results in income tax but no mining royalty tax.

Depreciation and deferred development write-offs were lower in 1975 as 1974 figures included a write-down of the Lynn Lake fixed assets to an estimated salvage value.

Dividends

During the year the authorized capital of the Company was reclassified into fully exchangeable Class A and Class B shares. The Class B shares were created solely to provide a method for each Shareholder to choose between two different systems of taxation, in relation to dividends, which are available under the Income Tax Act of Canada. The first Class B dividend payment was made in the third quarter of 1975.

Quarterly dividends per share of 15¢ in the first three quarters of the year and 10¢ in the fourth quarter were paid on the common (and for the last two quarters the Class A shares) for a total of 55¢ per share compared to 75¢ per share in 1974. Similar dividends less related tax were paid on the Class B shares in the last two quarters.

Working Capital

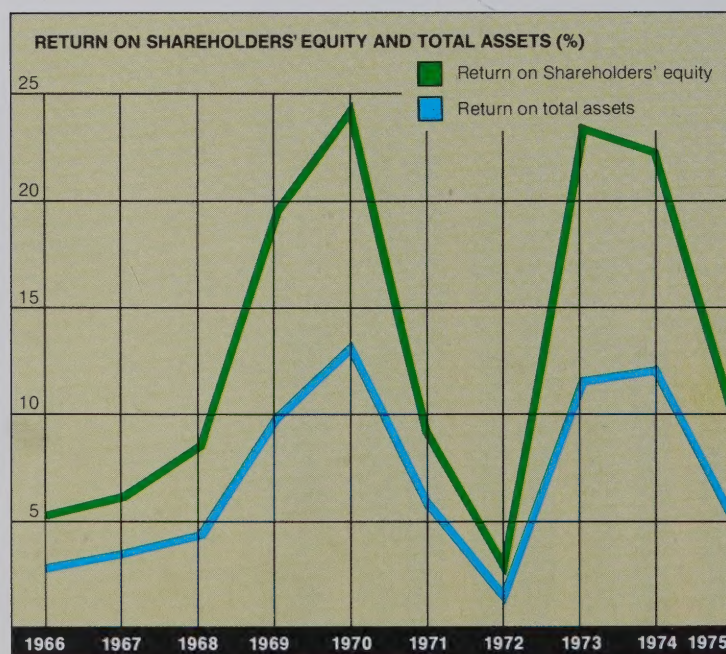
Working capital in 1975 increased by \$2,063,000 to \$38,472,000. Funds derived from operations amounted to \$25,159,000, down from \$45,525,000 in 1974. Reinvestment in plant and equipment and development expenditures amounted to \$11,513,000, long-term debt was reduced by \$4,630,000, and dividends amounted to \$7,010,000.

Capital Expenditures

Capital expenditures in 1975 amounted to \$11,513,000, a decrease of 20% from the \$14,527,000 spent in 1974.

Expenditures in the Metal and Chemical Division returned to a more normal level after the completion of several major projects in 1974. At the Ruttan Mine expenditures increased from \$5,293,000 in 1974 to \$7,625,000 in 1975. These 1975 expenditures completed the underground conveyor system from the 1,000' level to surface and the underground access decline to the 1,200' level.

In 1976 it is expected that our capital spending should decline somewhat from 1975 levels. Ruttan Mine underground expenditures will decrease and, excluding a possible fertilizer expansion program, other capital expenditures are expected to be of a routine nature.



METALS

Marketing

Copper

Sherritt copper in concentrate realized an average price of 57¢ Canadian per pound for 1975 compared to 80¢ per pound in both 1974 and 1973. The London Metal Exchange cash price for copper averaged 56¢ U.S. per pound for 1975 compared to 93¢ U.S. in 1974. North American producer copper prices averaged close to the current Canadian price of 63.375¢ per pound. About 80% of Sherritt's copper concentrate sales were based on the L.M.E. price and the balance on the North American producer price. Sherritt inventories of copper concentrate at year end were at normal, in-transit levels. Some mutually beneficial rearrangements covering copper concentrate were made with Mitsubishi Metal Corporation during the year whereby the majority of our concentrate was refined in Canada. Mitsubishi, like other Japanese smelters, continues to be in a most difficult operating situation. World

production of copper, a high percentage of which is unprofitable, continues to exceed consumption with resultant huge increases in copper inventories which, notwithstanding any other potential factors, will hang heavily over the copper market for some time.

Zinc

Sherritt zinc in concentrate realized an average price of 37¢ per pound for 1975 compared with 36¢ in 1974. Sherritt zinc pricing is based on the European and Canadian producer prices, both of which were quite stable throughout the year at close to the year-end prices of 36¢ and 37¢ per pound respectively. Under an arrangement with Hudson Bay Mining and Smelting Co., Limited, Sherritt had a small tonnage of zinc metal in stockpile at the year end awaiting increased levels of zinc sales. Except for this stockpile and normal, in-transit inventories, all zinc concentrate production was shipped and sold during the year. The increase in world inventories of zinc metal and concentrate, due to a severe drop in consumption in 1975, was tempered by reductions in zinc refinery output.

Nickel

The nickel market deteriorated rapidly during 1975; world consumption dropped well below production and inventories rose. The price for electrolytic nickel published by The International Nickel Company of Canada, Limited was increased from \$2.01 to \$2.20 per pound in August, 1975, although the increase was

generally not effective until after the end of the year. Because of some longer term contracts, Sherritt's net realized price at the refinery for nickel briquettes averaged \$1.98 per pound for 1975 compared with \$1.85 for 1974. To avoid a large build-up in nickel inventories, we sold substantial quantities of nickel in the last quarter of the year at discounted prices on the international spot market. This market has improved since year end and is currently over \$2.00.

Cobalt

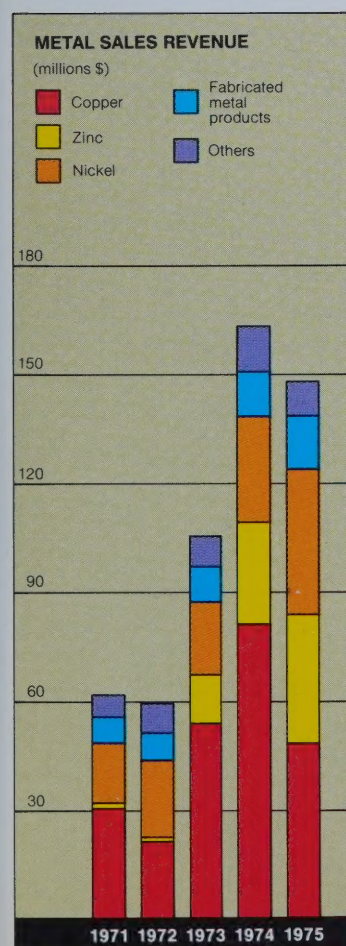
The demand for cobalt like most other metals was down sharply in 1975 but there was also a slight decrease in production. Markets for Sherritt pure cobalt powder (and for Outokumpu cobalt sold by Sherritt as North American agent) continued to be satisfactory. Prices were steady throughout the year at about \$4.00 per pound.

Precious Metals

Precious metal prices declined in 1975 and, with smaller quantities from lower copper concentrate production, the 1975 return from gold and silver dropped by over \$2,500,000 from 1974.

Fabricated Metal Products

Revenue from sales of fabricated metal products increased by almost 20% although the volume of sales was about 9% lower than in 1974. The increase in revenue resulted from an overall upgrading of the products sold and higher prices obtained for most products to offset increased costs of production.



Sales — Metals

(figures in thousands)

		1975		1974
Copper	86,808 lbs.	\$ 49,451	101,692 lbs.	\$ 81,341
Zinc	95,819 lbs.	35,577	79,102 lbs.	28,770
Nickel	20,036 lbs.	39,745	16,142 lbs.	29,901
Cobalt	327 lbs.	1,313	304 lbs.	1,139
Gold	25 oz.	3,998	29 oz.	5,227
Silver	555 oz.	2,534	749 oz.	3,822
Fabricated metal products	3,768 lbs.	14,010	4,122 lbs.	11,758
Other, including toll refining		1,595		1,512
Metal Revenue		\$148,223		\$163,470

Metals

Fox Mine

The Fox Mine continued to operate steadily and satisfactorily throughout the year. As expected, the grade of ore was down from 1974, resulting in slightly lower copper recoveries in the mill but, despite the lower zinc grade, zinc recoveries in the mill were increased substantially to about 60% compared to 47% in 1974. This higher recovery in the zinc circuit has continued in the early part of 1976. The mine is being deepened in 1976 by extending the access decline from the 2,200' level to the 2,400' level.

Transfer of underground personnel from the Lynn Lake Mine brought the Fox Mine crews up to strength and there was a marked improvement in stability of Fox personnel during the last few months of the year.

The Fox Mine operated at a modest net profit on the year's operation.

We are currently planning to put Fox Mine on a five-day week to reduce production by about 25%. This will enable us to take over the underground development at Ruttan with personnel from Fox.

No new ore was discovered during the year. As there now appears to be no immediate prospect of finding additional ore at the Fox Mine, the method of reporting the ore reserve has been changed to an estimated recoverable basis. Some of the cones

and pillars are not minable and have been excluded from the December 31, 1975 ore reserve. In 1976 a long-range program is being set up for exploratory drilling of the whole Fox property.

Ruttan Mine

The operation of the open pit continued to be plagued by poor availability of existing pit equipment. Truck availability was 57% compared to 55% in 1974 and shovel availability was 60% compared to 64% in 1974. The northwest wall of the pit had become dangerous and was cut back by a contractor in May through November. Unfortunately stripping was only 80% of target and, with higher grade ore not available from the west side of the ore body while the contractor worked on the wall, ore production was reduced from 10,000 tons per day to about 8,000 tons per day commencing in June. From June to the end of November the mill feed was supplemented from the low-grade stockpile which had been accumulated on surface in prior years resulting in a lower average feed grade. After the stockpile was exhausted it was decided to convert the mill to a five-day week and to continue operating the pit at 8,000 tons per day. As a result, the planned annual rate of production was decreased from 3,500,000 tons to 2,800,000 tons commencing in December, 1975.

Metallurgical recoveries of 86% for copper and 77% for zinc were quite

satisfactory.

The cash profit for the year at Ruttan was barely sufficient to cover interest on the Ruttan loan and there was a net loss on the operation, after capital write-offs, of over \$4,000,000.

A new contractor, Thyssen Mining Construction of Canada Ltd., took over the underground development early in 1975. Because of an inadequate supply of experienced manpower until late in the year, only about 75% of the anticipated advance was achieved. The conveyor system from the 1,000' level to surface was put into operation in the second quarter and has been conveying development muck to surface satisfactorily since that time. Drifting is being done on the footwall side of the ore body on the 800' level for detailed drilling of the ore body from the 600' level to the 1,000' level. The access decline was deepened at 15° to the 1,200' level and reached this level shortly after the end of the year.

There is some indication that the ore

All Fox Mine copper-zinc ore is hoisted through this 165-foot high headframe.

Fox Mine

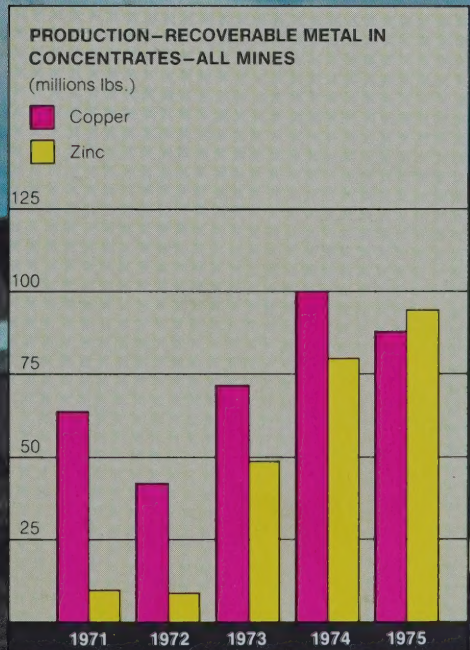
	1975	1974
Ore milled (tons)	1,007,000	1,008,000
% copper	1.74	2.10
% zinc	1.81	1.98
Copper in concentrate (lbs.)	31,493,000	39,239,000
Zinc in concentrate (lbs.)	21,750,000	18,799,000
Cash production cost per ton milled	\$14.94	\$12.70

	Tons	% Copper	% Zinc
Ore Reserve (undiluted)			
December 31, 1974 (geological)	10,700,000	1.95	2.07
December 31, 1975 (recoverable)	8,700,000	1.92	2.08

Ruttan Mine

	1975	1974
Ore milled (tons)	3,341,000	3,358,000
% copper	.96	1.07
% zinc	1.90	1.68
Copper in concentrate (lbs.)	54,939,000	61,934,000
Zinc in concentrate (lbs.)	98,207,000	78,686,000
Cash production cost per ton milled	\$10.98	\$8.73

	Tons	% Copper	% Zinc
Ore Reserve (undiluted)			
December 31, 1974	45,900,000	1.45	1.52
December 31, 1975:			
Open Pit	10,900,000	1.45	2.31
Underground	32,700,000	1.45	1.17
Total	43,600,000	1.45	1.45



Metals

Ruttan Mine continued

zones may be farther to the west than anticipated from surface drilling. This suggests that substantial drilling from underground will be necessary before the ore reserves previously calculated from surface drilling can be recalculated.

In 1976 a crosscut will be extended through the ore zones on the 1,200' level and a drift will be driven in the hanging wall side. An extensive drilling program to outline the ore zones down to the 2,000' level will then be conducted. With the results of this additional drilling, plans for the underground ore body can then be assessed in the light of prevailing financial, economic and political conditions. Further underground development has been temporarily deferred pending completion of this program.

In 1975 the open pit ore reserve was reduced by the ore milled during the year exclusive of the ore from the low-grade stockpile and marginal material not included in the reserve.

Lynn Lake Mine

Production in 1975 fell below even the uneconomic level of 1974 while costs continued to escalate. Early in the year the mine was placed on a strictly salvage basis in an attempt to mine out the remaining known ore of economic grade over a period of about three and a half years. Underground exploration

was stopped and sharp reductions were made in surface operating personnel and related overhead services. This program achieved a degree of success as a cash break-even position was finally achieved during the month of June. However, during the summer months it became impossible to obtain a sufficient number of cut-and-fill miners to achieve a rate of mine production sufficient to maintain a break-even position.

In a final attempt to salvage the Lynn Lake Mine, arrangements were made with the Patrick Harrison & Company group to take over the underground operation with Sherritt personnel continuing to run the mill and all surface facilities. The Patrick Harrison group took over the underground mine in November and by year end had the mine operating at 1,000 tons per day of over 1% nickel ore. To break even, this mining rate has to be increased to about 1,500 tons per day and this was achieved for the month of February, 1976. A tentative decision has been made to continue to operate for at least three months. Any shutdown decision must take into consideration the on-going costs which would have to be carried by the other two mines and the detrimental effect of reduced feed to our nickel refinery.

The overall poor production performance in 1975 combined with the continued inflationary pressure on mine operating costs resulted in a cash loss on the Lynn Lake Mine of over \$4,000,000.

Outside Exploration

During 1975, exploration efforts were concentrated in Northwestern Ontario with expenditures totalling \$1,082,000, about 20% less than was spent in 1974. No significant ore occurrences were located. A continuing "grass-roots" approach to exploration, which proved successful in Manitoba, is being followed, utilizing Sherritt's airborne equipment and ground geophysics and geology. The increasing cost of exploration and mine development is of serious concern, and efforts are currently being directed towards bringing outside associates into our on-going program.

(Upper) Ruttan Mine: From left to right, the open pit, main crusher house, concentrator, thaw house and coarse ore storage behind the three concentrate silos.

(Lower) Sherritt's geophysical aircraft used in the search for new mines. The two trailing birds detect magnetic and electro-magnetic responses from the ground.

Lynn Lake Mine

	1975	1974
Ore milled (tons)	352,000	432,000
% nickel	.84	.87
% copper	.38	.43
Nickel in concentrate (lbs.)	4,733,000	5,952,000
Copper in concentrates (lbs.)	2,266,000	3,251,000
Cash production cost per ton milled	\$32.63	\$25.74

Production — Mine Concentrates

(figures in thousands lbs.)	1975	1974
Recoverable Copper in:		
Ruttan Mine concentrates	52,861	59,261
Fox Mine concentrates	30,418	36,674
Lynn Lake Mine copper concentrate	1,148	1,910
Refinery copper sulphides from:		
Lynn Lake Mine nickel concentrate	857	1,273
Purchased feed	1,721	1,281
Total Copper	87,005	100,399
Recoverable Zinc in:		
Ruttan Mine concentrate	75,785	63,520
Fox Mine concentrate	18,453	15,582
Total Zinc	94,238	79,102



Metals

Refining

Production of refined nickel during 1975 increased to 27,937,000 pounds, about 7% over 1974 but still well below the capacity of the refinery. As in the past two years, this operating level reflects the decline in ore mined at Lynn Lake and a shortfall in the concentrate and matte acquired from Australia. Cobalt production improved to 560,000 pounds, an increase of 37% over 1974 and copper production, in the form of sulphide concentrate, amounted to 2,578,000 pounds, about the same as in 1974. Refined metal production in 1976 is expected to be unchanged from 1975, assuming that about 25% of the feed will come from the Lynn Lake Mine.

Fabricating

Production of fabricated metal products in 1975 decreased to 3,887,000 pounds, about 13% below the previous year. Most of the decrease stemmed from the lower demand for special metal powders. The total production of strip, blanks, coins and medallions was

only slightly lower than in 1974. Nickel strip production, mostly for coinage, increased moderately but there was a sharp reduction in the production of nickel coin blanks. On the other hand, operations at The Sherritt Mint were at a record level with production of over 1,100,000 pounds of minted products. Pure nickel coins were minted for four countries and substantial quantities of brass coins for another country. Production of medals and tokens was maintained at a high level to meet the continued strong demand for these products both in Canada and overseas. Production of dispersion-strengthened (DS) nickel sheet doubled to meet the growing demand for use of this material in jet aircraft.

The outlook for 1976 indicates a lower demand in Canada for pure nickel strip for coinage necessitating a reduction in our personnel in the rolling mill.

Product Development

Market development for existing fabricated metal products is continuing along with research and development to enlarge the line of new products. The development of a new, low-cost,

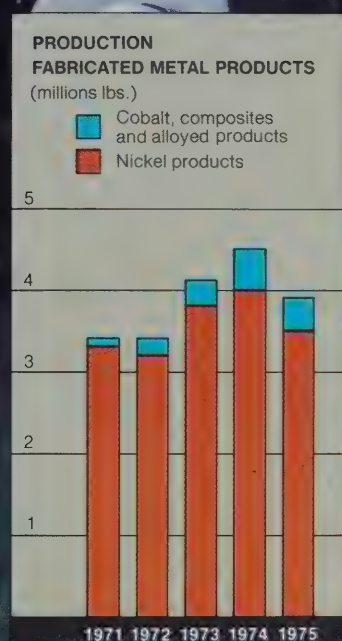
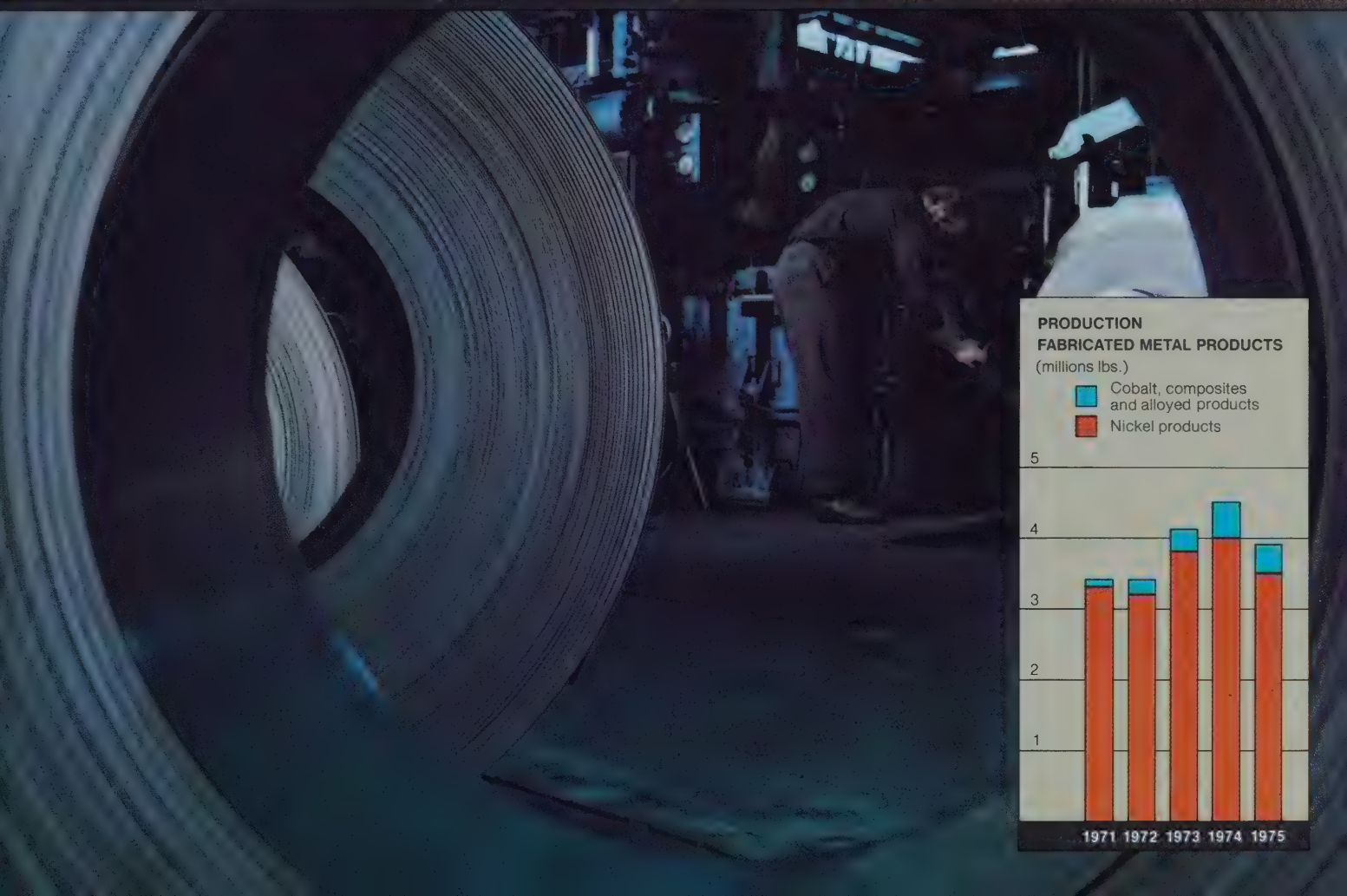
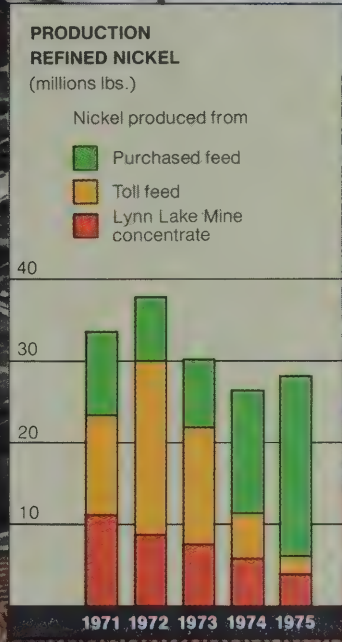
coinage material, Sherritt's Nickel-Bonded-Steel (N-B-S), reported a year ago, has advanced further with the installation of a larger production unit having a capacity of 140 tons per year. Research on the melting and atomizing of alloy powders, supported by the Federal Government under the Program for Advancement of Industrial Technology (PAIT), progressed satisfactorily and a process was developed to produce alloy powders which can be formed into alloy strip using a direct, powder-rolling technique. A joint program was established with Pratt & Whitney Aircraft to develop improved abradable seals for jet engines using Sherritt's new composite powders. Research on dispersion-strengthened (DS) materials was directed toward extruded shapes and an advanced group of DS alloys. Under the National Research Council's Industrial Research Assistance Program (IRAP), a new piloting facility was installed to develop a process for the production of fine cobalt powder suitable for use in making sintered carbide parts.

Production — Refinery and Fabricated Metal Products

(figures in thousands lbs.)	1975	1974
Refined Nickel from:		
Lynn Lake Mine concentrate	3,809	5,660
Purchased feed	22,236	14,982
Toll refined feed	1,892	5,530
Total Nickel	27,937	26,172
Refined Cobalt from:		
Lynn Lake Mine concentrate	65	72
Purchased feed	495	338
Total Cobalt	560	410
Fabricated metal products including special metal powders (nickel and cobalt products are also included in the production shown above):		
Nickel products	3,544	3,880
Cobalt products	54	54
Alloy, composite and other metal products	289	521
Total Fabricated Metal Products	3,887	4,455

(Upper) The Fort Saskatchewan complex includes the nickel and cobalt refinery, the nitrogen and phosphate fertilizer plants, metal fabricating plants and research and development facilities.

(Lower) The cold rolling mill is framed by coils of strip for Canada's pure nickel coinage.



FERTILIZERS

Marketing

It was an excellent fertilizer year for Sherritt. A total of 351,000 tons was sold, about the same as in 1974. Although volume was virtually unchanged, sales revenue increased from \$29,488,000 in 1974 to \$43,256,000 in 1975, reflecting sharply increased prices.

Weakness started to develop in world fertilizer markets during 1975 and by the end of the year significant surpluses were building up in some areas. This resulted from a number of factors, the main ones being excessive pricing in foreign markets, depletion of foreign exchange reserves in developing countries caused by the high cost of fuel imports, and some increase in production from additional facilities coming on stream. The North American farmer, though, is still prosperous and

should buy substantial quantities of fertilizer this spring.

Fertilizer prices in Western Canada, where the bulk of Sherritt sales continue to be made, have traditionally been less cyclical than export prices. While the Company did benefit to a certain extent from high export prices, Sherritt has always ensured that its Canadian customers' requirements were satisfied.

During 1975 the price of phosphate rock, which is the major ingredient in the manufacture of ammonium phosphate fertilizers, increased greatly and competitive forces prevented us from passing this extra cost through to the finished product. Consequently there has been a substantial reduction in our phosphate fertilizer profit margins.

Production

In 1975, production of all types of fertilizers amounted to 385,000 tons, 10%

higher than in 1974, establishing a new record. Total nitrogen fertilizer production was 252,000 tons which was 9.5% higher than in 1974. Phosphate fertilizer production was 133,000 tons or 12% above 1974 production.

Record production of both ammonia and urea was achieved in 1975 as a result of a number of improvements made in the existing plant facilities. Production of phosphoric acid was maintained at maximum capacity during the first three quarters of 1975, but was reduced in the fourth quarter due to a softening in demand for phosphate fertilizers.

The 20,000-ton ammonia storage tank was completed during the first quarter of 1975. This contributed significantly to greater sales of ammonia for agricultural purposes during the fall and should make an even greater contribution to increased sales during the spring fertilizer season in 1976.

Production and Sales — Fertilizers

figures in thousands)	1975		1974	
Production	Tons		Tons	
Nitrogen	252		230	
Phosphate	133		119	
Total Fertilizer	385		349	
Sales				
Nitrogen	234	\$25,355	226	\$17,270
Phosphate	117	17,901	127	12,218
Fertilizer Revenue	351	\$43,256	353	\$29,488

(Upper) Sherritt anhydrous ammonia, a nitrogen fertilizer, is applied directly into the soil at a Western Canadian farm.

(Lower) The Nonoc Island laterite nickel refinery of Marinduque Mining & Industrial Corporation in the Philippines.

PROCESS TECHNOLOGY

The revenue from licensing Sherritt's technology during 1975 amounted to \$2,477,000. The sources of this revenue include Western Mining Corporation Limited, Kwinana, Australia and Impala Platinum Limited, Springs, South Africa who use Sherritt's nickel refining process and Outokumpu Oy, Kokkola, Finland who uses Sherritt's cobalt powder production process. Future income from these sources will

vary depending on production volumes of the respective plants and the contractual arrangements with Sherritt.

Sherritt's patented process for production of pure metallic nickel from lateritic ores was being commercially proven at Marinduque Mining & Industrial Corporation at Nonoc Island in the Philippines. During 1975, this plant produced over 20,000,000 pounds of nickel and by the end of the year was operating at about 50% of design capacity. The relatively slow start-up is due primarily to mechanical problems

in the feed-bin systems for the roasters, the combustion chambers in the roasters, calcine coolers and electrical control and distribution systems. The training of personnel and the logistics of spare parts procurement added to the difficulties. Most of the problems have now been identified and some of these have already been corrected. In other cases, corrective action is presently under way and will take some time to complete.

The long start-up period forced Marinduque to arrange additional financing



Process Technology

continued

which will include postponement of royalty payments to Sherritt.

Further investigation has indicated that the profitability of the nickel laterite project of P.T. Pacific Nikel Indonesia would be improved by mining low-iron, high-grade nickel laterite during the initial years of operation and using Sherritt's low-iron laterite process. Four hundred tons of laterite ore samples were shipped from Indonesia to Sherritt's pilot plant at Fort Saskatchewan to confirm the metallurgy of the low-iron process. Using the favourable results from this pilot plant, the commercial viability of the venture is currently being re-evaluated.

Other potential licensing applications for our metallurgical processes were examined during the year. These included other laterite cases, our direct pressure leaching process for the treat-

ment of zinc concentrates and our process for the production of iron and elemental sulphur from pyrite in which there is now renewed interest because of changing economic conditions.

Future process research and development, in addition to improvements in laterite processes, will emphasize the development of the S-C Copper Process (a joint development between Sherritt and Cominco, supported by the Federal Government Under the Program for Advancement of Industrial Technology). Construction of the S-C copper pilot plant at Fort Saskatchewan was completed at the end of the year and full-scale piloting has started and will continue during 1976.

Largely as a result of increased activity in the S-C copper project, Sherritt's total research expenditures for 1975 have increased to \$2,518,000, about 70% above 1974. This expenditure covers both process and new product development.

PERSONNEL

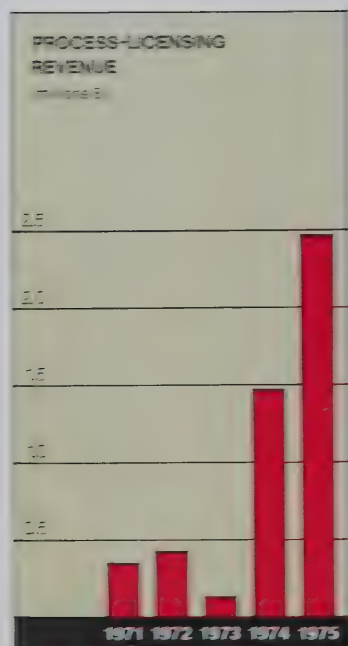
	1975	1974
Mining and Mining Metals, Fertilizers and Research	1,197	1,460
Head Office	1,011	1,018
	50	48

On December 31 the Company employed 2,258 people compared with 2,526 at the same time last year. This reduction is mainly the result of an outside contractor taking over the underground operation at Lynn Lake Mine.

Negotiations with the International Chemical Workers' Union, Local 530 resulted in the signing of a new two-year agreement on May 9, 1975. This agreement covering 581 hourly-rated employees in the Metal and Chemical Division will continue until April 30, 1977. The Company's hourly-rated employees in the Mining Division are represented by the United Steelworkers of America, Locals 5757 and 8144. The mine contracts expire May 31, 1976 and negotiations for new contracts will begin in March.

Turnover continued to be a problem although some improvement over 1974 was noted, particularly towards the end of the year. The demand for skilled tradesmen in the Western provinces continued at unprecedented levels and in October it became necessary for our Mining Division to recruit 14 skilled tradesmen from the United Kingdom on a contract basis.

At year end there were 11 employees on long-term assignment to Marinduque Mining & Industrial Corporation in the Philippines. Their efforts are being supplemented by another 13 employees on special short-term assignments.



Consolidated Statement of Earnings for the year ended December 31, 1975
with comparative figures for 1974

	1975	1974
Revenue from sales	\$191,479,000	\$192,958,000
Cost of sales	155,469,000	131,143,000
Gross profit from sales	36,010,000	61,815,000
Research expense	2,518,000	1,475,000
Outside exploration expense	1,082,000	1,349,000
Administrative and selling expense	3,591,000	3,031,000
	7,191,000	5,855,000
Operating profit	28,819,000	55,955,000
Process licensing revenue	2,477,000	1,468,000
Rentals and other non-operating revenue	811,000	561,000
Interest income	609,000	131,000
	32,716,000	58,115,000
Interest expense	4,127,000	4,931,000
Earnings before write-offs and taxes	28,589,000	53,184,000
Depreciation, deferred development and other write-offs	10,017,000	12,571,000
Earnings before taxes	18,572,000	40,613,000
Income taxes — current	3,690,000	2,460,000
— deferred	3,700,000	9,725,000
Mining royalty taxes	—	5,350,000
	7,390,000	17,535,000
Minority interest in net earnings of subsidiaries	24,000	32,000
Net earnings	\$ 11,158,000	\$ 23,046,000
Earnings per share	\$.88	\$1.61

The accompanying notes are an integral part of the financial statements.

Consolidated Statement of Retained Earnings for the year ended December 31, 1975
with comparative figures for 1974

	1975	1974
Balance at beginning of the year	\$ 64,908,000	\$ 51,417,000
Net earnings	11,158,000	23,046,000
	76,066,000	74,463,000
Dividends paid (note 7)	7,010,000	9,555,000
Balance at end of the year	\$ 69,056,000	\$ 64,908,000

Consolidated Balance Sheet December 31, 1975
with comparative figures for 1974

	1975	1974
Assets		
Current		
Cash, including interest-bearing deposits	\$ 1,414,000	\$ 217,000
Accounts receivable		
Trade	34,115,000	21,534,000
Other	1,470,000	1,954,000
Inventories (note 2)	49,178,000	42,202,000
Insurance and other prepaid items	451,000	410,000
	86,628,000	66,317,000
Fixed (note 3)		
Property, plant and equipment	168,638,000	160,851,000
Less accumulated depreciation	83,677,000	77,103,000
	84,961,000	83,748,000
Unamortized development costs	24,151,000	23,495,000
	109,112,000	107,243,000
Other		
Employee housing and other loans	4,559,000	5,272,000
Investments at cost less amounts written off (note 4)	10,341,000	10,406,000
Patents at cost less amounts written off	661,000	605,000
	15,561,000	16,283,000
	\$211,301,000	\$189,843,000

Auditors' Report

To the Shareholders of Sherritt Gordon Mines Limited:

We have examined the consolidated balance sheet of Sherritt Gordon Mines Limited and its subsidiary companies as at December 31, 1975 and the consolidated statements of earnings, retained earnings and changes in financial position for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these consolidated financial statements present fairly the financial position of the companies as at December 31, 1975 and the results of their operations and the changes in their financial position for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Ontario, February 11, 1976.

DELOITTE, HASKINS & SELLS,
Chartered Accountants.

	1975	1974
Liabilities		
Current		
Bank indebtedness (note 5)	\$ 18,490,000	\$ 7,841,000
Accounts payable and accrued	21,957,000	15,748,000
Income and mining royalty taxes	4,540,000	2,500,000
First Mortgage Bonds (note 6)	3,169,000	3,819,000
	48,156,000	29,908,000
First Mortgage Bonds (note 6)	29,564,000	34,194,000
Deferred Income Taxes	26,120,000	22,420,000
Minority Interest	24,000	32,000
Shareholders' Equity		
Capital		
Capital stock (note 7)		
Issued and fully paid		
12,740,000 shares	12,740,000	12,740,000
Contributed surplus		
Net premium on sales of shares	25,641,000	25,641,000
	38,381,000	38,381,000
Retained Earnings	69,056,000	64,908,000
	107,437,000	103,289,000
	\$211,301,000	\$189,843,000

The accompanying notes are an integral part of the financial statements

Approved by the Board:

David D. Thomas, Director
Edward L. Donegan, Director

Consolidated Statement of Changes in Financial Position

for the year ended December 31, 1975 with comparative figures for 1974

	1975	1974
Funds were obtained from		
Operations for the year		
Net earnings	\$11,158,000	\$23,046,000
Amounts deducted in arriving at net earnings which did not involve an outlay of funds		
Depreciation, deferred development and other write-offs	10,298,000	12,748,000
Deferred income taxes	3,700,000	9,725,000
	25,156,000	45,519,000
Capital research grants	3,000	6,000
	\$25,159,000	\$45,525,000

The accompanying notes are an integral part of the financial statements.

Funds were used for		
Expenditures on capital and deferred assets		
Lynn Lake Mine	\$ 134,000	\$ 280,000
Fox Mine	1,430,000	1,225,000
Ruttan Mine	7,625,000	5,293,000
Employee housing and other loans	(713,000)	1,274,000
Fort Saskatchewan		
Metal and chemical plants	1,541,000	5,711,000
Research and patents	1,374,000	550,000
Fertilizer marketing warehouses and equipment	122,000	194,000
	11,513,000	14,527,000
Reduction in long-term indebtedness	4,630,000	7,687,000
Dividends	7,010,000	9,555,000
Investments	(65,000)	2,129,000
Other — net	8,000	(3,000)
	23,096,000	33,895,000
Increase in working capital	2,063,000	11,630,000
	\$25,159,000	\$45,525,000

Working Capital

Balance at beginning of the year	\$36,409,000	\$24,779,000
Increase during the year	2,063,000	11,630,000
Balance at end of the year	\$38,472,000	\$36,409,000

Notes to Consolidated Financial Statements

December 31, 1975



1. Summary of Accounting Policies

(a) **Principles of Consolidation.** The consolidated financial statements include the accounts of Sherritt Gordon Mines Limited and its active subsidiary companies, Sherritt Fertilizers, Inc., Sherritt Gordon Airtransport Limited and Michipicoten Iron Mines Limited.

(b) **Translation of Foreign Currencies.** Transactions in foreign currencies are translated into Canadian dollars at rates prevailing at the time of such transactions, except that current assets and current liabilities are translated at the approximate rate of exchange at December 31.

(c) **Inventory Valuation.** Concentrates sold under contract are valued at estimated net realizable value. Other finished products, raw material, material in process and operating supplies are valued at the lower of average cost and net realizable value.

(d) Depreciation and Amortization

(i) **Development costs** related to a new ore occurrence are deferred until production commences after which only development costs of a capital nature are deferred. Exploration costs are charged to income in the period in which they are incurred.

(ii) **Ruttan Mine and Fox Mine:** depreciation and amortization of the assets of the mines are charged to operations using the unit of production method based on metallic content of the estimated recoverable ore reserves.

(iii) **Lynn Lake:** because of the uncertain life of the mine the remaining Lynn Lake assets have been written down to an estimated salvage value in 1974.

(iv) **Metal and Chemical:** depreciation is provided over the useful life of the assets using an estimated service life of 20 years.

(v) **Patents:** amortization is provided over the life of the patent.

(e) **Income Taxes.** The Company follows the tax allocation method of providing for income taxes. Taxable income may be different from reported earnings before income taxes to the extent that capital cost allowances and development expenditures claimed for tax purposes differ from depreciation and amortization recorded in these statements. The difference between the taxes calculated as payable each year and those charged against earnings on the tax allocation method is accumulated and carried forward in the balance sheet under the heading of Deferred Income Taxes.

2. Inventories

	1975	1974
Concentrates	\$ 9,555,000	\$14,022,000
Refined metal products	13,073,000	6,704,000
Fertilizers	4,470,000	1,925,000
Raw material and material in process	11,114,000	9,876,000
Operating supplies	10,966,000	9,675,000
	\$49,178,000	\$42,202,000

3. Fixed Assets

	Property, Plant and Equipment				Total
	Cost	Accumulated Depreciation	Undepreciated Cost	Unamortized Development Costs	
Ruttan Mine	\$ 45,367,000	\$ 5,952,000	\$39,415,000	\$18,067,000	\$ 57,482,000
Fox Mine	17,870,000	4,962,000	12,908,000	6,084,000	18,992,000
Lynn Lake Mine	21,226,000	19,226,000	2,000,000	—	2,000,000
Metal and Chemical Div.	84,175,000	53,537,000	30,638,000	—	30,638,000
	\$168,638,000	\$83,677,000	\$84,961,000	\$24,151,000	\$109,112,000

4. Investments at Cost less Amounts Written Off

	Shares Common Stock	Percentage Owned	1975	1974
Marinduque Mining & Industrial Corporation	9,414,877	11	\$ 6,752,000	\$ 6,752,000
P. T. Pacific Nikkel Indonesia (including loans and advances)	11,378	10	3,545,000	3,600,000
Other companies			44,000	54,000
			\$10,341,000	\$10,406,000

The quoted market value of the investment in Marinduque shares at December 31, 1975 was \$11,180,000 U.S. Under the subscription agreement with Marinduque the Company has agreed not to sell or transfer any of the shares prior to December 31, 1976. There is no quoted market value for shares of P. T. Pacific Nikkel Indonesia.

5. Bank Indebtedness

Certain receivables and inventories of the Company have been pledged as security for the bank indebtedness.

6. First Mortgage Bonds

	December 31, 1975	
	U.S.	Canadian
Current		
Ruttan Mine Series A Bonds — Canadian		\$ 2,700,000
Series B Bonds — U.S.	\$ 462,000	469,000
		3,169,000
Long Term		
Ruttan Mine Series A Bonds		
— due 1977 to 1983 — Canadian		18,900,000
Ruttan Mine Series B Bonds		
— due 1977 to 1981 — U.S.	\$10,714,000	10,664,000
		29,564,000
Total First Mortgage Bonds Outstanding		\$32,733,000

Series A Bonds

Interest — variable in relation to the bank prime borrowing rate.

Repayment — in equal quarterly instalments to October 1, 1983.

Series B Bonds

Interest — 8%

Repayment — from Ruttan Mine zinc concentrate production but, otherwise, repayable at a minimum rate of \$2,143,000 U.S. per year to January 14, 1981.

Interest paid on First Mortgage Bonds in 1975 was \$3,367,000 (1974 — \$4,236,000).

Under the indentures securing the Bonds the Company may not make a dividend distribution which would reduce working capital below \$9,000,000.

7. Capital Stock and Dividends

On April 25, 1975 Articles of Amendment were filed by the Company to reclassify the existing 14,000,000 authorized shares with a par value of \$1 each into a combined total of 14,000,000 Class A and Class B participating special shares with a par value of \$1 each and to create 100 common shares with a par value of \$10 each. The issued shares were redesignated as Class A shares.

The Class A and Class B shares are voting shares, rank equally in all respects and are exchangeable one for the other. The distinction between the two classes of shares is that the Directors in declaring cash dividends on Class B shares may specify that the dividends be paid first from tax-paid undistributed surplus on hand and then out of 1971 capital surplus on hand (these expressions as defined in the Income Tax Act of Canada). These tax-deferred dividends are equal to the dividends paid on the Class A shares less any tax which must be paid by the Company to create tax-paid undistributed surplus.

Shares authorized and issued are as follows:

Authorized

14,000,000 combined total Class A and Class B participating special shares, par value \$1 each

100 common shares, par value \$10 each

Issued and fully paid

12,396,847 Class A shares \$12,396,847

343,153 Class B shares 343,153

\$12,740,000

The amount recorded as dividends on the Consolidated Statement of Retained Earnings includes the dividends paid and related tax as shown in the following table:

	1975	1974
Common and Class A		
1975 — \$.55 per share (1974 — \$.75)	\$6,926,000	\$9,555,000
Class B — \$.2125 per share plus tax	84,000	—
	\$7,010,000	\$9,555,000

Notes to Consolidated Financial Statements

December 31, 1975

8. Pension Plan

During 1974 the Company made certain revisions to its salaried pension plan which increased the benefits payable to employees. At December 31, 1975 the actuarially computed value of pension benefits under this plan exceeded the assets of the pension fund by \$2,750,000. Annual pension costs are determined at regular intervals by independent actuaries, are funded currently and include provision for current service costs and for funding of past service costs over a period not exceeding fifteen years.

9. Employee Share Purchase Plan

Under the Employee Share Purchase Plan eligible employees are entitled to subscribe for shares of the Company and to pay for such shares by payroll deduction over a period of 24 months at a price per share equal to the lesser of the average market price on the original offering date (June 24, 1974 and June 16, 1975) or the average market price on the completion date of purchase. At December 31, 1975 there were outstanding purchase agreements with employees having an aggregate value of \$400,000.

10. Commitments and Guarantees

Ruttan Mine

In 1976 an extensive drilling program, estimated at \$3,500,000 is being undertaken to outline the underground ore body down to the 2,000' level. Further underground development has been temporarily deferred pending completion of this program. With the results of this additional drilling, plans for the underground ore body can then be assessed in the light of the prevailing financial, economic and political conditions.

Lease commitments for capital equipment utilized at this mine involve payments of approximately \$1,300,000 per year. These leases expire on various dates during 1980 and 1981.

Province of Manitoba

Certain special expenditures incurred by the Province of Manitoba for the development of Leaf Rapids townsite and Provincial Highways 391 and 396 are being amortized over periods up to 1995 by payments from the Company of approximately \$760,000 annually in addition to normal municipal taxes. The Company has guaranteed the repayment of the debts incurred on account of these and certain other expenditures in the townsite which obligations total \$8,800,000.

Manitoba Hydro

Under agreement with Manitoba Hydro for the supply of power, the cost of certain transmission lines to the Company's mining properties are being repaid by the Company over periods up to the year 2013. The unamortized balance of the cost of these lines amounts to \$2,100,000 at December 31, 1975.

Guarantees

The Company has guaranteed employees' mortgage indebtedness in Lynn Lake and Leaf Rapids townsites amounting to approximately \$6,500,000.

11. Anti-Inflation Program

The Company is subject to the Anti-Inflation Program enacted by the Government of Canada, effective on October 14, 1975, to provide for the restraint of profit margins, prices, dividends and compensation in Canada. Pending clarification of the many uncertainties of interpretation and implementation surrounding the legislation, studies indicate that the requirements of the guidelines have been complied with during the current fiscal period.

Under the legislation dividend payments are restricted. The Company's current dividend rate is well below the maximum permitted under the prevailing guidelines.

12. Remuneration of Directors and Officers

In 1975 the direct remuneration of Directors and Senior Officers of the Company was \$455,000 (1974 - \$477,000).

Ten-Year Record 1966 - 1975

(figures in thousands)

Operating Information

Ore milled - tons

Ruttan Mine
Fox Mine
Lynn Lake Mine

Production

Refinery - Nickel - pounds
- Cobalt - pounds
- Fertilizer - tons

Recoverable metal in concentrates

- Copper - pounds
- Zinc - pounds

Financial Information

Revenue from sales

Process licensing and other

Costs and expenses

Depreciation and amortization

Income and mining royalty taxes

Net earnings before extraordinary items

- per share

Extraordinary items

Net earnings for the year

- per share

Dividends

- per share

Capital expenditures

Cash flow from operations

Working capital

Long-term debt

Shareholders' equity

Return on shareholders' equity

Ore Reserves

Ruttan Mine - tons

- % copper
- % zinc

Fox Mine

- tons
- % copper
- % zinc

Lynn Lake Mine

- tons
- % nickel
- % copper

1975	1974	1973	1972	1971	1970	1969	1968	1967	1966
3,341	3,358	1,871	—	—	—	—	—	—	—
1,007	1,008	963	946	1,022	389	—	—	—	—
352	432	676	995	1,158	1,090	1,258	1,277	1,071	1,205
27,937	26,172	30,262	37,321	33,111	35,918	30,028	29,598	25,080	29,522
560	410	616	809	561	803	668	894	764	791
385	349	362	372	327	280	281	345	331	303
87,005	100,399	72,101	41,474	60,534	30,816	13,238	12,336	10,716	11,384
94,238	79,102	48,380	8,986	9,605	163	—	—	—	—
\$191,479	192,958	124,092	72,861	73,958	90,889	66,292	56,754	49,375	44,307
\$ 3,873	2,128	941	1,365	1,464	1,420	932	400	294	55
\$166,787	141,934	92,128	61,517	60,798	55,760	41,765	43,699	38,893	36,122
\$ 10,017	12,571	9,234	7,563	7,852	6,048	6,032	5,807	5,374	4,360
\$ 7,390	17,535	2,685	55	(1,995)	13,000	8,500	3,500	2,410	1,320
\$ 11,158	23,046	20,986	5,091	8,767	17,501	10,927	4,148	2,992	2,560
\$.88	1.81	1.65	.40	.73	1.54	.96	.37	.26	.23
—	—	—	2,784	1,270	1,658	—	—	—	—
\$ 11,158	23,046	20,986	2,307	7,497	15,843	10,927	4,148	2,992	2,560
\$.88	1.81	1.65	.18	.62	1.39	.96	.37	.26	.23
\$ 7,010	9,555	8,918	6,370	7,231	6,818	4,545	2,841	2,273	2,273
\$.55	.75	.70	.50	.60	.60	.40	.25	.20	.20
\$ 11,513	14,527	20,791	30,963	11,737	12,795	14,715	9,831	3,006	6,419
\$ 25,156	45,519	29,383	12,570	16,006	25,235	19,813	12,012	11,350	8,652
\$ 38,472	36,409	24,779	27,375	28,968	19,365	15,387	12,352	10,468	10,257
\$ 29,564	34,194	41,881	36,333	13,196	17,788	20,039	17,556	15,173	21,232
\$107,437	103,289	89,798	77,730	81,793	65,048	56,023	49,641	48,334	47,615
10.4%	22.3%	23.4%	3.0%	9.2%	24.4%	19.5%	8.4%	6.2%	5.4%
43,600	45,900	49,100	51,000	51,000	51,000	12,900	—	—	—
1.45	1.45	1.46	1.47	1.47	1.47	1.44	—	—	—
1.45	1.52	1.60	1.61	1.61	1.61	2.61	—	—	—
8,700	10,700	11,800	13,300	14,500	13,100	11,300	12,269	12,269	12,269
1.92	1.95	2.03	2.01	1.99	1.84	1.96	1.74	1.74	1.74
2.08	2.07	2.15	2.23	2.35	2.70	2.74	2.35	2.35	2.35
—	—	—	—	10,000	12,600	12,600	12,600	11,900	11,400
—	—	—	—	0.83	0.77	0.77	0.81	0.83	0.84
—	—	—	—	0.39	0.38	0.40	0.43	0.46	0.47

Ruttan Mine ore reserves contain no allowance for dilution.

Fox Mine ore reserves contain no allowance for dilution. Fox reserves were changed from a geological to a recoverable basis in 1975.

Lynn Lake Mine ore reserves contain an allowance for dilution for the years 1966 to 1971. No reserve published subsequent to 1971.

